

## Millennium Challenge Corporation



**SENEGAL**

Senegal was selected to participate in Millennium Challenge Account program in fiscal years 2004-2006.



### **General Information:**

**Population:** 10,454,896

**Location:** Western Africa, bordering the North Atlantic Ocean

**Capital City:** Dakar

**Relative Size:** slightly smaller than South Dakota

### **Economic Statistics:**

**GNI Per Capita:** \$670

**Gross Domestic Product:** \$7.67 billion

**GDP Growth Rate:** 6%

### **Proposal Goal**

Senegal has proposed an infrastructure program designed to reduce poverty through accelerated economic growth. The capital city of Dakar and its periphery currently account for roughly 80% of the country's economic activity. However, the city's geographic location on a peninsula, and the corresponding congestion and concentration of services in a small area, are a serious constraint to economic growth. The Government of Senegal's proposal is to develop a new industrial, commercial, and residential zone in Diamniadio, located 30 kilometers southeast of the capital.

### **Proposed Results**

The Government of Senegal has estimated that its proposed project will:

- Provide an internal economic rate of return of 18%
- Generate \$1.2 billion in additional investment
- Create 60,000 jobs within ten years

### **Update on Progress**

- MCC is scheduled to conduct baseline studies for the project in 2006. MCC and the Government of Senegal signed an Implementation Agreement for these studies in October 2005, which provides for up to \$6.5 million for demand, feasibility, and technical design studies to inform the Compact development process.
- Due diligence missions to Senegal continue as the MCC transaction team works with its counterpart on these and other aspects of the development process, including donor coordination, the Monitoring and Evaluation plan, and the consultative process.